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SUBJECT: MEDIA REPORT - EDITORIAL ON U.S.-CHILE SCHOLARSHIP

AGREEMENT IN LEADING DAILY

- 11. On August 14, conservative, influential newspaper-of-record "El Mercurio" (circ. 129,000) ran an editorial entitled "Educational Cooperation." Full translation follows:
- 12. "The university scholarships agreement signed by Minister Foxley and U.S. Secretary of State Condoleezza Rice represents a modern and indispensable new element for bilateral cooperation. In addition, these accords are a positive result of the good relations and the multiple dimensions that bilateral ties can lead to between two countries that share values of political and economic freedoms.
- 13. "The strengthening of national democratic institutions, the elimination of trade barriers and the increase in Chile's individual income go farther and make rather useless the traditional assistance programs aimed at democratic stability and development, which are offered by governments of industrialized nations and based on financial aid that is normally barely relevant.
- 14. "Since the signing of the Free Trade Agreement with the United States, we in our pages have highlighted the need to broaden the bilateral agenda. The agenda should focus on our inadequacies and take advantage of U.S. strengths in areas supplemental to trade, particularly, in education.
- 15. "A recent report by the Center For European Reform, 'The Future of European Universities,' noted that among the twenty main universities in the world, eighteen are American, and most of them are private. From those and other universities comes the bulk of progress in knowledge, science and technology. These institutions attract 30 percent of the foreign university students on the planet. Access to this wealth has incalculable value.
- 16. "It would be important to continue advancing even further along this path with other nations of renowned academic excellence by opening new networks and programs for courses. This should be done not only abroad but at home in this country to optimize and multiply the benefits of exchanges for Chilean schools and universities.
- 17. "The agreements signed with the United States and the promotion of other similar ones poses new tasks and changes to the Foreign Ministry's services. Similarly, for the sake of guaranteeing equal opportunities, measures are needed to assure an open and competitive application process for students that meet the qualifications. This would prevent a repeat of complaints some time ago over the granting of official (Chilean) scholarships based on political preferences, favoritism and other considerations alien to ability and the public interest. More important than signing international agreements is making good use of them, which, in this case, impacts on our reputation abroad."
- 18. Comment: The reference about the need for a transparent selection process highlights a problem affecting a prestigious Chilean Presidential scholarship program. In that program many

recipients were the children of high-level members of the ruling party.

YAMAUCHI